

2.6 Activities, markets and position of the Triglav Group⁵

Slovenia
1st rank, 35.5% market share
+10% written premium^{***}

Croatia
8th rank, 4.6% market share
+14% written premium^{***}

Serbia
5th rank, 6.4% market share*
+19% written premium^{***}

Montenegro
1st rank, 38.7% market share
+11% written premium^{***}

Bosnia and Herzegovina
6th rank, 7.7% market share**
+9% written premium^{***}

North Macedonia
1st rank, 13.8% market share
+1% written premium^{***}



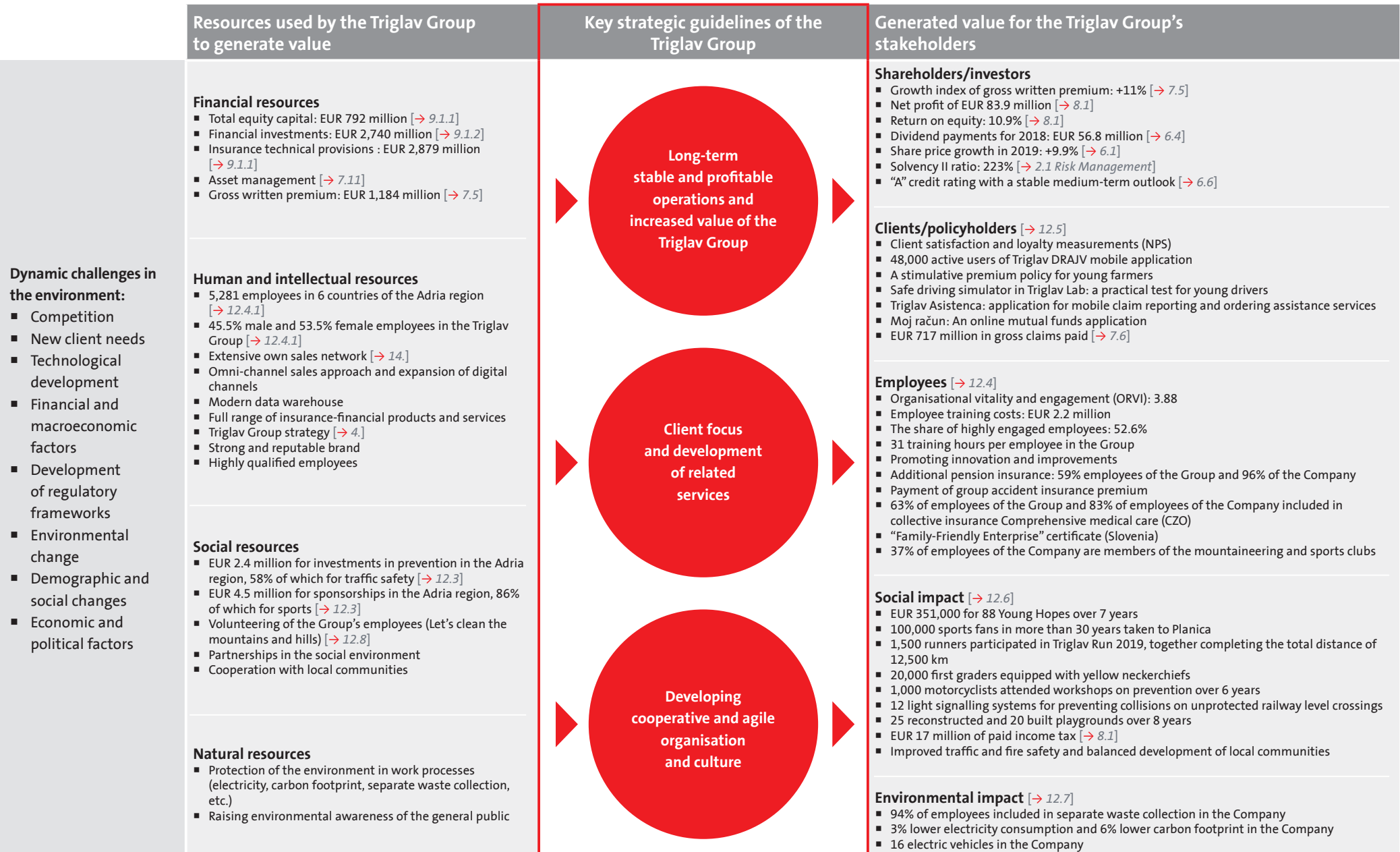
The Triglav Group is the leading insurance/financial group in Slovenia and the Adria region as well as one of the leading groups in South-East Europe. The Group operates on seven markets in six countries. Furthermore, it operates in the wider international environment through partnerships with foreign insurance brokerage and agency companies.

* Q1-3 2019 data
 ** H1 2019 data
 *** The data show the growth of the Triglav Group's gross written premium by an individual market.

Strategic activities

Insurance	Asset management
Non-life	Own insurance portfolio (asset backing liabilities and backing funds)
Life	
Pensions	Mutual funds and individual asset management
Health	
Reinsurance	Pension funds

2.6.1. The business model of the Triglav Group



2.6.2. Insurance

Insurance is the most extensive strategic activity of the Triglav Group, which includes non-life, life, health and pension insurance as well as reinsurance.

The insurance business of the Group comprises:

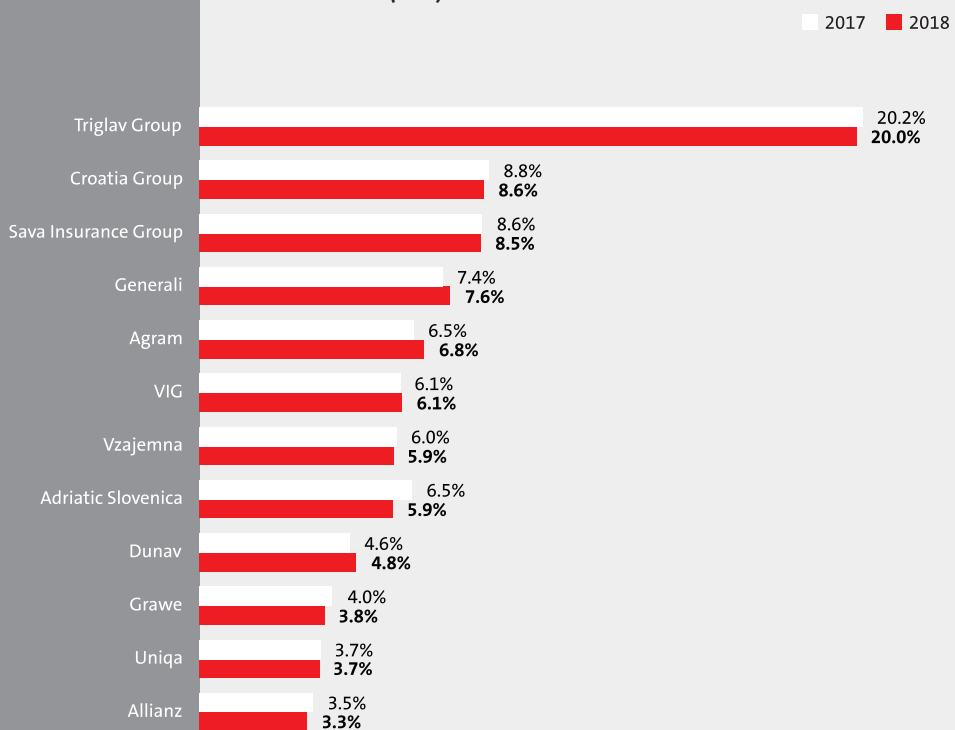
- **in Slovenia:** Zavarovalnica Triglav d.d., Triglav, Zdravstvena zavarovalnica d.d., Pozavarovalnica Triglav Re d.d., and Triglav, pokojninska družba d.d.,
- **abroad:** eight insurance undertakings in Croatia, Serbia, Montenegro, Bosnia and Herzegovina and North Macedonia.

Position in the regional insurance market

In 2018, the Triglav Group achieved a 20.0% market share and holds the dominant position among the insurers in the Adria region (Slovenia, Croatia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia).

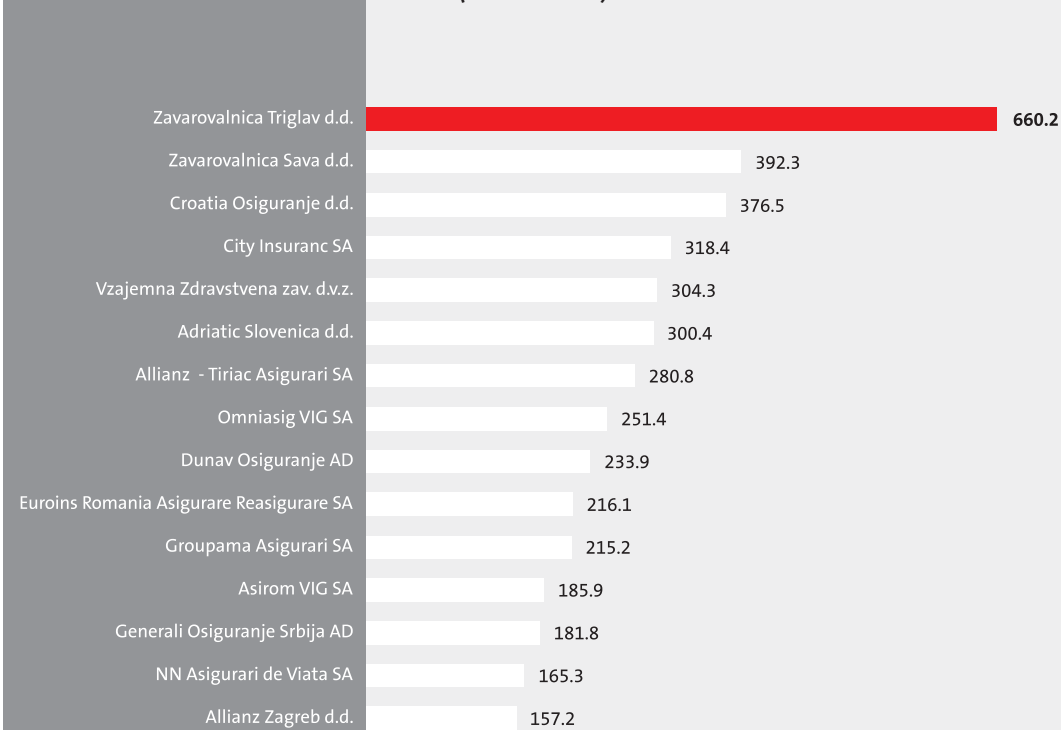
In 2018, the parent company Zavarovalnica Triglav was again the leading insurer in South-East Europe (Albania, Bosnia and Herzegovina, Bulgaria, Montenegro, Croatia, Moldova, Romania, North Macedonia, Serbia and Slovenia). According to a SeeNews survey, 7 insurance subsidiaries of the Triglav Group and 14 Slovene insurers rank among the top 100 insurers in South-East Europe in terms of gross written premium. The top three insurers maintained their place for the third consecutive year, while at the same time all three achieved growth in both written premium and profit. Zavarovalnica Triglav recorded the highest profit in 2018 among all 100 insurers.

*The market share of the insurance undertakings in the Adria region in 2018 and 2017 (in %)**



* Data for 2019 are not yet available.
Source: The calculation of Zavarovalnica Triglav based on the data of national insurance supervision agencies and insurance associations

The largest insurers in South-East Europe by written premium in 2018 (in million EUR)



Source: SeeNews 2019

2.6.3. Asset management

The **asset management** activity in the Triglav Group is performed by the Group's life insurance and pension companies, Triglav Skladi d.o.o., Triglav, Upravljanje nepremičnin d.d. and Triglav d.o.o., which includes saving via the Group's insurance services and investing in the Group's mutual and pension funds.

2.6.4. Structure of the Triglav Group

As at 31 December 2019, the Triglav Group consisted of 38 companies: in addition to the parent company, 31 subsidiaries and 6 associates.

The Triglav Group members directly involved in or supporting the Group's core business lines

		Insurance	Asset Management	Other
Slovenia		<ul style="list-style-type: none"> Zavarovalnica Triglav d.d. Pozavarovalnica Triglav Re d.d. Triglav, Zdravstvena zavarovalnica d.d. Triglav, pokojninska družba d.d. 	<ul style="list-style-type: none"> Triglav Skladi d.o.o. Triglav, Upravljanje nepremičnin d.d. Triglav d.o.o. 	<ul style="list-style-type: none"> Triglav INT d.d. Triglav Svetovanje d.o.o. Triglav Avtoservis d.o.o. Triglavko, d.o.o.
Croatia		<ul style="list-style-type: none"> Triglav Osiguranje d.d., Zagreb 		<ul style="list-style-type: none"> Triglav Savjetovanje d.o.o.
Serbia		<ul style="list-style-type: none"> Triglav Osiguranje a.d.o., Belgrade 		<ul style="list-style-type: none"> Triglav Savetovanje d.o.o.
Montenegro		<ul style="list-style-type: none"> Lovćen Osiguranje a.d., Podgorica Lovćen životna osiguranja a.d., Podgorica 		<ul style="list-style-type: none"> Lovćen Auto d.o.o.
Bosnia and Herzegovina		<ul style="list-style-type: none"> Triglav Osiguranje d.d., Sarajevo Triglav Osiguranje a.d., Banja Luka 	<ul style="list-style-type: none"> PROF-IN d.o.o. Društvo za upravljanje Evropskim dobrovoljnim penzijskim fondom a.d., Banja Luka 	<ul style="list-style-type: none"> Triglav Savjetovanje d.o.o. Autocentar BH d.o.o.
North Macedonia		<ul style="list-style-type: none"> Triglav Osiguruvanje a.d., Skopje Triglav Osiguruvanje Život a.d., Skopje 	<ul style="list-style-type: none"> Triglav penzisko društvo a.d., Skopje 	

Changes in the structure of the Triglav Group in 2019⁶

<p>Triglav INT d.d. acquired a 0.1% participating interest in Triglav Osiguranje a.d., Skopje from non-controlling interest holders, thereby increasing its interest in said company to 80.45%. The consideration totalled MAK 888,940 or EUR 14,428.</p>	<p>On 27 March 2019, Zavarovalnica Triglav established Triglav penzisko društvo a.d., Skopje, a company for the management of compulsory and voluntary pension funds, by paying in EUR 3,000,000.</p>	<p>In Q2 2019, Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Zagreb increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Zagreb in accordance with their proportional stakes. By increasing the capital through in-cash contributions of HRK 2,100,000 or EUR 284,000 in cash, the two companies retained their participating interests of 51% and 49% respectively.</p>	<p>On 19 September 2019, Triglav Auto d.o.o., Banja Luka was liquidated. The liquidation did not affect the consolidated financial statements of the Triglav Group.</p>
<p>Lovćen Osiguranje a.d. increased the capital of its subsidiary Lovćen Auto d.o.o. in the amount of EUR 2,400,000, thus remaining its 100% owner.</p>	<p>On 29 March 2019, Hotel Grad Podvin d.o.o. established two companies: HGP Grad, investicije d.o.o. and HGP Rest, investicije d.o.o., which are both wholly owned by Hotel Grad Podvin d.o.o.</p>	<p>On 8 August 2019, Zavarovalnica Triglav and Sava Re d.d. entered into an agreement, under which Zavarovalnica Triglav has the option to acquire a 40% interest in the share capital of Diagnostični center Bled d.o.o., representing 50% of the voting rights. The aim of Zavarovalnica Triglav, together with Sava Re, is to acquire control of said company through ZTSR d.o.o., which is jointly owned by them. The investment is part of the regular activities, by which the Company pursues the financial investment management policy of the Triglav Group, and will not have a significant impact on the structure of its financial investment portfolio. Before the transaction is executed, certain conditions precedent have to be fulfilled.</p>	<p>In December 2019, Skupna pokojninska družba was renamed Triglav, pokojninska družba d.d.</p>
<p>With cash contributions of EUR 1,094,670, Zavarovalnica Triglav increased the capital of its associate Triglav d.o.o., thereby maintaining its 49.9% participating interest.</p>			
<p>Triglav Skladi d.o.o. and Triglav, Upravljanje nepremičnin d.d. sold their interests of 11.72% and 10.37% respectively in ZIF Prof Plus d.d.</p>	<p>On 24 April 2019, Triglav Skladi d.o.o. became a 100% owner of ALTA Skladi, društva za upravljanje. On 19 December 2019, the merger was entered in the Companies Register. See [→ Section 2.10 of the Accounting Report] for further details.</p>	<p>In Q3 2019, Triglav Svetovanje d.o.o. and Triglav Osiguranje d.d., Belgrade increased the capital of their subsidiary Triglav Savjetovanje d.o.o., Belgrade through in-cash contributions in accordance with their proportional stakes. By increasing the capital in the amount of RSD 2,500,000 or EUR 21,000, the two companies retained their participating interests of 51% and 49% respectively.</p>	<p>Unis automobili i dijelovi d.o.o. was merged with Autocentar BH d.o.o. The merger did not affect the consolidated financial statements of the Triglav Group.</p>
<p>On 5 February 2019, Triglav d.o.o. and TRIGAL AIF SICAV – RAIF S.C.A. Compartment 2, Regional Multi Asset Fund Compartment, Luxembourg, signed an agreement to sell KRDU Building d.o.o. and LOMA CENTER d.o.o. As a result, the two companies are no longer treated as associates of the Triglav Group.</p>	<p>TRI-LIFE d.o.o., Zagreb was renamed Triglav Savjetovanje d.o.o., Zagreb.</p>	<p>In accordance with its strategic guidelines, Triglav, Upravljanje nepremičnin d.d. sold its 80.73% participating interest in Golf Arboretum d.o.o.</p>	<p>Triglav d.o.o. and three other partners established ALFI PD d.o.o. on 3 September 2019. With the payment of EUR 40,000 thousand, Triglav became a 40% owner of said company.</p>

The changes in the Triglav Group are discussed in greater detail in [[→ Section 2.10 of the Accounting Report](#)].

Subsidiaries and associated companies of the Triglav Group as at 31 December 2019 and their participating interests

